

Responsible Supply Chain Management 2024



This brochure contains information that complements what we shared in the 2024 Integrated Report, specifically in the Supply Chain section, with the aim of providing deeper insight into topics relevant to AENZA's sustainability efforts. This is aligned with international standards, including the Corporate Sustainability Assessment (CSA), to create value both for our stakeholders and for our company.

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Introduction

Introduction



At AENZA, we recognize that our suppliers are fundamental for the success and sustainability of our business. For this reason, we are moving toward increasingly efficient and aligned supply chain management, with the goal of strengthening our operations and creating shared value across all our subsidiaries.

In recent years, we have launched a process of standardization and harmonization of logistics and procurement procedures company-wide. This process seeks to replace isolated practices with a single, integrated system that facilitates coordination and enables a more efficient management.

At the same time, we have been optimizing economies of scale by centralizing negotiations with common suppliers, especially in cross-cutting services such as security and maintenance. This has allowed us to obtain volume-based benefits and greater operational efficiency.

Financially, we are implementing payment policies aligned with our cash cycle, which will contribute to better working capital management and strengthen our cash flow.

Supplier Code of Conduct

At AENZA, we have a [Supplier Code of Conduct](#) designed to mitigate risks and promote sustainable development within our supply chain. This code outlines clear guidelines that all suppliers—including contractors and consultants—are required to accept and comply with, encouraging ethical and responsible business practices. Key commitments include ensuring proper working conditions, adhering to applicable regulations, guaranteeing the quality and safety of products and services, and ensuring that resources are sourced from lawful and legitimate origins.

Suppliers are also expected to comply with all relevant laws and uphold the highest ethical standards, including anti-corruption measures and fair competition practices. Any form of bribery or anti-competitive behavior is strictly prohibited, and suppliers must disclose any potential conflicts of interest. Additionally, they are required to cooperate with AENZA in due diligence processes, safeguard the confidentiality of sensitive information, and maintain these obligations even after the contractual relationship has ended.

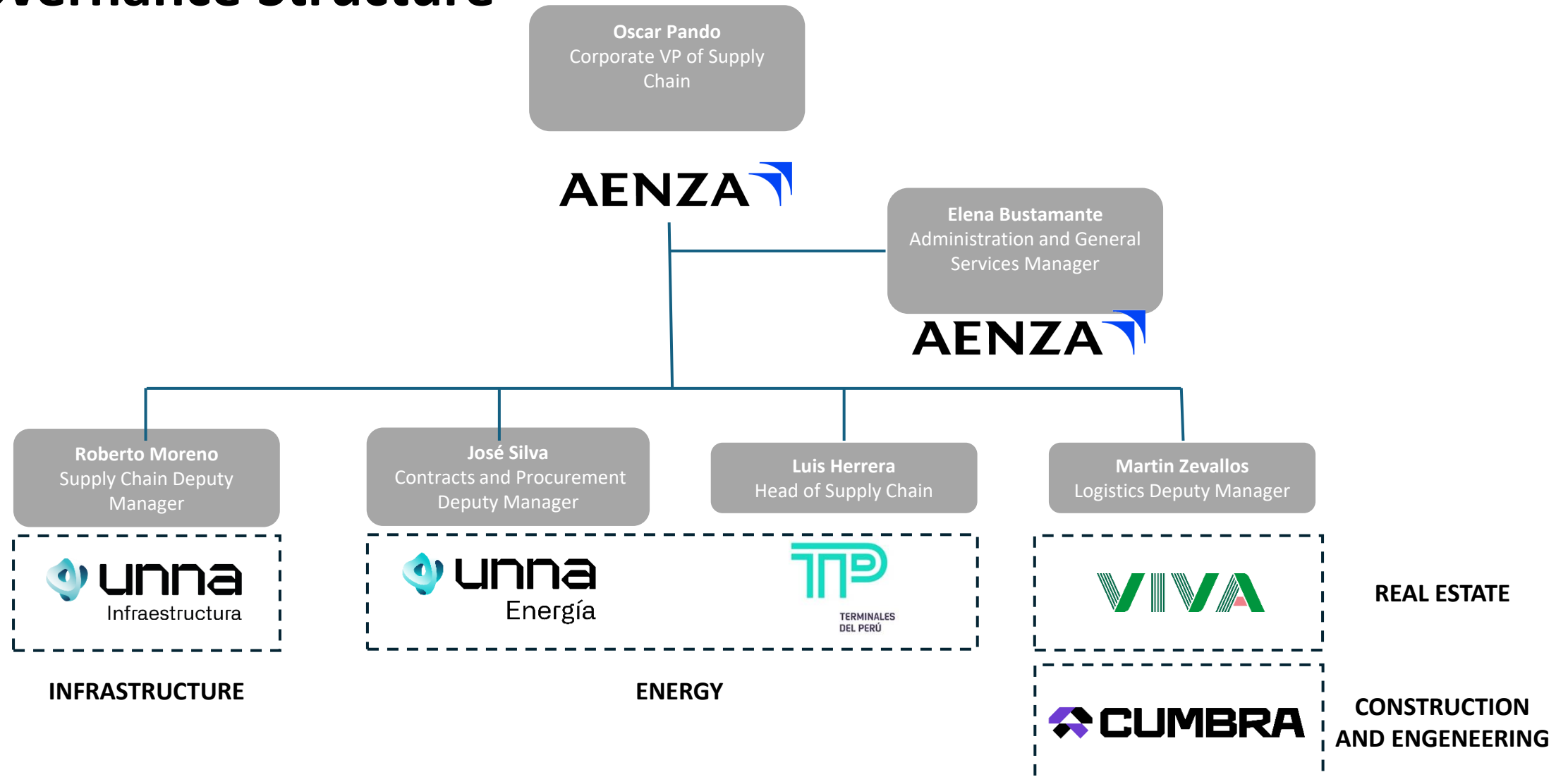


Governance Structure

The Supply Chain division is responsible for meeting the needs of the end customer (operations), while reducing costs and ensuring compliance with established policies and deadlines. This is achieved through the coordination of the area's various components.

The Supply Chain function falls under the leadership of Oscar Pando Mendoza, Vice President of Supply Chain. Mr. Pando joined the company in May 2016 and, since August 2023, has served as Corporate VP of Supply Chain, overseeing leaders across the different business units (Infrastructure, Energy, Real Estate, and Engineering & Construction). Mr. Pando is also a member of the Board of Directors of several of our subsidiaries, including CUMBRA Perú S.A., Vial & Vives - DSD S.A., UNNA Energía S.A., and VIVA Negocio Inmobiliario S.A.

Governance Structure





Supplier Selection Process

Supplier Categories

Suppliers are classified according to criteria established by our business units.

Below are the criteria used by **CUMBRA** and **VIVA**, which are based on the results obtained from the assessment of operational impact and frequency of use. Four ranges are applied to classify the results, which must first be approved by the site's procurement manager. Based on this process, suppliers are categorized accordingly:

Score	Description	Supplier Type
Result $\geq$ 90 %	Very Good: Fully meets the requirements to ensure service quality.	A
80 % $\leq$ Result < 90 %	Good: Partially meets the requirements to ensure service quality.	B
60 % $\leq$ Result < 80 %	Acceptable: Requires the implementation of an improvement action plan.	C
Result < 60 %	Deficient: Subject to temporary or permanent suspension.	D

Supplier Categories

Below are the criteria used by **UNNA Infraestructura**:

At the end of the period, the staff member designated by the Head of Procurement downloads from the Oracle system the traceability report of managed purchases, consolidates the information, and generates the ABC Purchasing Matrix. This matrix organizes and segments the data based on the total purchase amount at the close of the period and the purchase frequency, measured by the number of Purchase Orders and Service Orders (PO/SO) issued during the evaluation period. Classification is then carried out as follows:

A – The supplier accounts for 80% of the annual purchase amount/frequency.

B – The supplier accounts for 15% of the annual purchase amount/frequency.

C – The supplier accounts for 5% of the annual purchase amount/frequency.

Finally, based on these classifications, the following table is arranged:

		Frequency		
		A	B	C
Import	A	A-A	A-B	A-C
	B	B-A	B-B	B-C
	C	C-A	C-B	C-C

Supplier Categories

Criteria used by **UNNA Energía** for supplier selection, where classification is based on financial impact and supply risk:

Supplier Type	Annual Billing	Supply Risk
Strategic	> 300,000 soles / > 80,000 USD	High
Leverage	> 300,000 soles / > 80,000 USD	Low
Bottleneck	< 300,000 soles/ < 80,000 USD	High
Routine	< 300,000 soles / < 80,000 USD	Low

- Strategic Supplier:** Critical suppliers that generate a high financial impact and influence the final outcome of the product or service.
- Leverage Supplier:** Non-critical suppliers that generate a high financial impact only.
- Bottleneck Supplier:** Critical suppliers that do not generate a financial impact. They are generally scarce in the market and influence the final outcome of the product or service.
- Routine Supplier:** Non-critical suppliers that do not generate a financial impact. There are several supply sources available in the market, making them easy to obtain.

Supplier Selection

Environmental Scope:

In the process of selecting significant suppliers, different environmental aspects are taken into account depending on the business units.

		
An environmental management scope that the supplier must comply with is included, and it must be stated in their technical proposal that these requirements will be met, which will then be reflected in the contracts.	These are specified in the Terms of Reference (ToR), where applicable	Depending on the type of contract, compliance with the Environmental Plan, valid environmental licenses, and waste management is reviewed, and documentation is required to demonstrate alignment with sustainability policies.

Supplier Selection

Social Scope:

Similarly, regarding social aspects, compliance with the requirements established in the Occupational Health, Safety, and Environment procedure is verified.

		
As part of the evaluation, compliance with Occupational Health, Safety, and Environment (HSE) requirements is assessed, supported by an access control system that requests information such as SCTR, EMOS, CAMOS, among others.	Supplier personnel must comply with the HSE procedure specified in “UT-SSOMA-PRO-004.”	Compliance is also verified regarding adequate working conditions, respect for human rights, and occupational health and safety, all supported by formal documentation and evaluations. In addition, suppliers are informed of the company’s corporate policies on labor rights.

Supplier Selection

Governance Scope:

Governance matters are based on the due diligence policy.

		
For contracts exceeding S/.1MM, a Due Diligence evaluation is required.	The Due Diligence process applies in certain cases.	As part of the Due Diligence Policy, suppliers are evaluated on their business ethics policies, anti-corruption measures, tax compliance, and transparency.

Supplier Selection

Business Relevance:

Certain business relevance criteria is considered depending on the type of supplier contract.



To select suppliers, the following aspects are considered:

Due Diligence, experience, technical capacity, pricing, and commercial conditions (payment terms, credit, guarantees, insurance policies). In the case of Terminales del Perú, additional requirements include company formality, no outstanding tax enforcement actions with SUNAT, no records of tax omissions with SUNAT, proof of being an active company (at least two years), and completion of Due Diligence.

In some cases, suppliers are selected because they are the original manufacturers of certain spare parts, as maintenance manuals require the use of original parts. In other cases, the requirements are detailed in the Terms of Reference (ToR) attached to the request. For example: demonstrating a minimum of five years of experience in similar services, providing certificates of previous work, submitting the CVs of the professionals responsible for the service, etc.

Depending on the type of contract, the following are considered: experience, regulatory compliance, past performance, technical capacity, commercial conditions, environmental and safety compliance, and valid legal documentation.

Supplier Selection

Risk:

There are also risks taken into account when evaluating or approving suppliers, such as the following:

		
It is taken into consideration whether the supplier has conflicts or sanctions with public entities, according to the Due Diligence evaluation. For contracts exceeding S/.1MM, this evaluation is mandatory.	The guidelines set forth in procedure “UT-CDA-PRO-004” are taken into account, and the evaluation is carried out in accordance with procedure “UT-CDA-PRO-002.”	Risks considered include location in conflict-prone areas, history of sanctions, exposure to corruption, or negative background within the sector. These factors are assessed as part of Third-Party Due Diligence.



Supplier Evaluation and Development

Supplier Evaluation and Development

In our engagement with suppliers, we have concentrated on identifying the key factors needed to build long-term strategic partnerships. We are driving supplier development in areas such as sustainability, safety, and technical capabilities, strengthening our supply chain and ensuring it remains aligned with our core values.

We are also progressing toward supplier homologation under a more selective approach, designed to avoid unnecessary certification costs for those suppliers who do not require them. As part of this effort, we have begun defining key criteria—such as service criticality and market exclusivity—to ensure our decisions are both efficient and impactful. Looking ahead, our priority is to consolidate the homologation of processes and secure their consistent implementation across all business units in the group.

Supplier Evaluation

Suppliers are evaluated within each of our business units, based on documentation and through the systematic verification of this evidence.

		
An internal evaluation is carried out by contract administrators on a semiannual basis. This is based on a review of compliance documentation, financial assessment of the company, the homologation process (SGS), and virtual meetings.	Suppliers are evaluated according to the criteria established in procedure UT-CDA-PRO-002 (Supplier Performance Monitoring and Re-Evaluation).	Depending on the type of contract, evaluations may include internal reviews, document verification, certification validation, technical visits, interviews, and technical meetings, in addition to ongoing performance monitoring in projects.

Supplier Evaluation

In addition, evaluations are carried out using methodologies and standards from a recognized industry initiative or a multi-stakeholder framework.

	
The following is carried out: • Supplier homologation (SGS) • Due Diligence.	Methodologies based on the corporate standard (ANZ-CO-PO-005) are applied, along with unit-specific procedures that have been part of ISO audits.

Supplier Evaluation

If non-compliance issues or areas for improvement are identified in our suppliers, we implement corrective action plans based on the criteria of our business units.

		
For cases of non-compliance or identified improvement opportunities, mitigation measures are implemented in coordination with the respective area, based on the results of internal evaluations or Due Diligence. In the event of non-compliance, the supplier is notified and granted a deadline to address the observations; otherwise, they are excluded from the bidding process.	Actions are carried out in accordance with procedure UT-CDA-PRO-002 (Supplier Performance Monitoring and Re-Evaluation).	An incident log has been established, along with warning letters, improvement plans, technical support, and follow-up. When necessary, measures may include temporary suspension or permanent exclusion of the supplier from the system.

Supplier Development

With respect to supplier development, each business unit provides training to its suppliers, based on criteria individually managed by each unit.

		
During Kick-Off Meetings (KOM), suppliers are informed about the company's guidelines, which form part of the Terms of Reference (ToR). In addition, training sessions are conducted via Microsoft Teams on AENZA's anti-corruption policies, which have also been distributed to all suppliers by email.	For the railway operation, suppliers receive the document "General Guidelines for Suppliers." For all projects, our General Contracting Conditions are shared.	Training sessions, technical meetings, instruction manuals, and/or induction sessions are also carried out to explain our technical, legal, and safety requirements to suppliers.

Supplier Development

- In addition, tools and mechanisms are in place to compare supplier performance according to standards set independently by each business unit.

	
Internal evaluations are conducted for each supplier, considering the following criteria: quality, occupational health and safety, environmental performance, warranties, and delivery time. These supplier evaluation documents are subsequently shared with the supplier.	Comparative performance matrices, result reports, classifications (A, B, C, D), and formal feedback are used. Suppliers also receive letters detailing their respective evaluations.

Supplier Development

Similarly, suppliers are supported either remotely or on-site with the aim of implementing corrective and improvement actions.

		
Based on the results of internal evaluations, internal meetings and feedback sessions are held to help suppliers improve their performance criteria.	Support has been provided to a supplier in the design of a testing bench.	Technical support, guidance, joint site visits, and formal recommendations have been offered to suppliers who presented opportunities for improvement in processes or compliance.

Supplier Development

Building on the above, deeper initiatives have been developed with key suppliers to enhance their performance, along with comprehensive technical support programs aimed at strengthening suppliers' ESG capabilities and overall performance.

	
Suppliers are monitored based on the results of their evaluations. This follow-up aims to provide opportunities for improvement in the assessed aspects and criteria, enabling them to continue collaborating with us.	Continuous improvement programs, pilot projects, and specialized training have been implemented with strategic suppliers, with the goal of aligning their capabilities with our standards.



Supplier ESG Program

Supplier ESG Program

At AENZA, there is a highest decision-making body responsible for monitoring and supporting the procurement and selection processes, either through the preparation of documents or other methods determined by each business unit.

		
The purchasing processes are overseen by the Procurement Department, though no documented communication exists. Terminales del Perú communicates corporate procedures through the Supply Chain (CDA) area.	Purchases are carried out by CDA personnel in accordance with procedure “UT-CDA-PRO-001” (Purchasing Management), and supplier selection follows the guidelines in procedure “UT-CDA-PRO-004” (Supplier Registration, Deregistration, and Blocking).	Monitoring and support of the purchasing processes are the responsibility of the Supply Chain’s Procurement area. These functions are formalized in internal procedures, ERP configurations, and supporting documents such as the Procurement Plan. Key award decisions are validated by the Corporate Purchasing Committee.

Supplier ESG Program

Purchasing practices are also reviewed at scheduled intervals to ensure compliance with the implemented principles and standards.

		
In the purchasing process, supplier homologation is considered through SGS, where financial, legal, organizational, and other aspects are evaluated. Suppliers whose cumulative purchases exceed S/. 1MM undergo a Due Diligence evaluation	The guidelines in procedure “UT-CDA-PRO-004” are followed. Regarding safety compliance, suppliers must meet specific requirements for service execution, which are reviewed by the HSE area according to procedure “UT-SSOMA-PRO-004.” Contracts are also issued where applicable.	Compliance with standards is ensured through evaluation processes, Due Diligence, external references, and technical validation. Upon formalizing the contract, suppliers are required to accept ethics policies, environmental regulations, and legal compliance through standardized contracts.

Supplier ESG Program

On the other hand, there are situations in which suppliers who do not meet the minimum ESG requirements established are excluded from contracting.



In the bidding process, each company must meet certain criteria based on the type of work to be performed, which are mandatory for technical evaluation. For ongoing services, contracts include termination clauses in the event of non-compliance. Corporate blocking of the supplier is also applied.



A sanctions table exists for contractor non-compliance with safety and environmental measures.



Suppliers may be excluded due to Due Diligence findings, ethical or contractual breaches, legal issues, environmental sanctions, or poor performance.

Supplier ESG Program

Consequently, factors beyond price are considered, such as suppliers demonstrating superior ESG performance during the selection and contract award process.

		
The following factors are considered: Company formality, no outstanding tax enforcement actions with SUNAT, no records of tax omissions with SUNAT, the supplier must be active (minimum two years), HSE evaluation, and Due Diligence. For major awards based on the amount or criticality of the good or service, a technical evaluation is mandatory; if requirements are not met according to the ToR, the supplier is excluded.	Where applicable, the following are conducted: • Evaluation of technical criteria for purchases exceeding USD 100,000. • Due Diligence processes before proceeding with the award.	In addition to price, the evaluation considers prior experience, legal compliance, safety performance, environmental management, sustainability, after-sales support, adherence to deadlines, and quality standards. The winning bid is the one offering the lowest total cost while meeting all technical requirements.

Supplier ESG Program

Finally, compliance training is provided to the various teams involved, including those responsible for purchasing and other internal stakeholders. These trainings are aligned with corporate policies and values, reinforcing a culture of integrity and accountability, promoting the highest ethical and regulatory standards, strengthening the organizational culture, and ensuring a transparent and sustainable business environment.

		
AENZA corporate provides training on these topics. Additionally, the Due Diligence team also conducts specialized training.	Periodic training is received on the Business Code of Conduct, Anti-Corruption Policy, Competition Law courses, and more.	Guidance documents have been shared, and informational meetings have been held with suppliers and internal teams covering legal compliance, safety, ethical standards, and environmental requirements within the framework of the contracting processes.



Supplier Evaluation and Development KPIs

Selection Process KPIs

It is important to monitor supplier evaluation data to ensure that suppliers are being classified appropriately and that associated risks are managed in a timely manner.

We present the key indicators of our supplier evaluation program at AENZA:

Supplier Screening	2024
Total number of Tier-1 suppliers	5,681
Total number of significant suppliers in Tier-1	1,190
Total number of significant suppliers in non Tier-1	1,568
1.5 Total number of significant suppliers (Tier-1 and non Tier-1)	2,758
% of total spend on significant suppliers in Tier-1	73.8 %

Notes:

- Significant suppliers: suppliers identified as having significant commercial relevance for the company. This includes both critical Tier 1 and non-Tier 1 suppliers.
- Tier 1 suppliers: suppliers that provide goods, materials, or services directly to the company.
- Non-Tier 1 suppliers: suppliers that provide their products or services through Tier 1 suppliers. These are located beyond the first level of the company's supply chain, for example, at Tier 2, Tier 3, or further levels.

KPIs for Supplier Assessment and Development

Supplier Assessment	2024
Total number of significant tier-1 and non tier-1 suppliers assessed annually	277
Number of suppliers assessed with substantial actual/potential negative impacts	38
Number of suppliers assessed with substantial actual/potential negative impacts	2
% of suppliers with substantial actual/potential negative impacts with agreed corrective action/improvement plan	5 %
Number of suppliers with substantial actual/potential negative impacts that were terminated	2

Coverage and progress of suppliers with corrective action plans:

Corrective action plan support	2024
Total number of suppliers supported in corrective action plan implementation	35
% of suppliers assessed with substantial actual/potential negative impacts supported in corrective action plan implementation	100%

Thank you.